



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

February 17, 2008

Felix Vincino, Human Resources Team Leader
Kimberly-Clark Worldwide
2001 E. Orangethorpe Avenue
Fullerton, CA. 92831

Dear Mr. Vincino:

RE: **FINAL MONITORING VISIT REPORT** for Kimberly-Clark Worldwide (Kimberly-Clark) – ET06-0288

Date of the Visit:	01/09/08
Beginning/Ending Time:	1:00 p.m. –3:00 p.m.
Date of Last Visit:	08/14/07
Visit Location:	Fullerton, California
Persons in attendance:	Felix Vincino, Human Resources Team Leader, Kimberly-Clark; Annette Magdaleno, Human Resources Specialist, Kimberly-Clark; Melissa Rivera, Mill Training Coordinator, Kimberly-Clark; William Sacks, Ph.D., Vice President, Operations, National Training Company, Inc., and Carole Robinson, ETP Contract Analyst.
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	05/09/06 – 05/08/08	Agreement Amount:	\$386,308
Training Start Date:	05/09/06	No. to Retain:	323
Date Training must be Completed:	02/07/08	Range of Hours:	24 -160
Type of Trainee:	Retrainee	Weighted Ave. Hours:	92

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1100 J Street, 4th Floor
SACRAMENTO, CA 95814
(916) 327-5640

N. HOLLYWOOD REGIONAL OFFICE
4640 Lankershim Blvd., Suite 311
NORTH HOLLYWOOD, CA 91602
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S.F. BAY AREA REGIONAL OFFICE
1065 East Hillsdale Blvd, Suite 415
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SAN DIEGO REGIONAL OFFICE
5353 Mission Center Road, Suite 110
SAN DIEGO, CA 92108
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www.etp.ca.gov
ETP (05/16/07)

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on 05/24/06 and training began on 05/09/06. Mr. Sacks reported that all training was completed on 02/05/08, which allows for the 90-day retention period to be completed within the term ending date of the Agreement (05/08/08).

There were no Modifications or Amendments requested during the term of this agreement.

• INTERVIEW WITH COMPANY REPRESENTATIVE

You reported that the company experienced several factors during the term of the Agreement that affected its ability to deliver training as planned. Shortly after Panel approval three key Human Resources employees responsible for development and implementation of the proposed training left the facility including the Plant Manager. Although training was being conducted on a random basis, the company did not appoint ETP coordinator within Kimberly-Clark to perform administrative duties for the Agreement. As a result, the company lost Class/lab Rosters and was only able to document limited training efforts during the first year of the Agreement. You stated that a formal training program was new for Kimberly-Clark and the company experienced difficulty with rolling out the planned training without a designated coordinator.

Mr. Sacks stated that Kimberly-Clark retained National Training Company, Inc. in 02/07 to perform administration relating to the Agreement. With the assistance of this subcontractor, the company was able to roll out a new training schedule, deliver more frequent training sessions, and consolidate/reconcile training records. Although less training than anticipated was delivered during the term of the Agreement, the company was able to initiate efforts to reduce operating costs, production waste, machine down time, and identify cost savings opportunities. You stated that this facility hired 50 new employees and added 25 positions within the company to address new products being developed within Kimberly-Clark for introduction over the new 2-3 years. As a result, Kimberly-Clark will be pursuing another ETP Agreement in the near future to train newly hired employees, complete training it was unable to deliver previously, and introduce new training leadership topics. You stated that you were confident that the company is now on-track with the concept of formalized training and will be more successful in a new ETP Agreement. Additionally, you stated that Kimberly-Clark's new Plant Manager is passionate about training employees and has tied plant team objectives with results from a formal training plan to focus on company objectives.

Mr. Sacks provided information regarding Kimberly-Clark's potential for reimbursement for this Agreement. This information indicates that the company has 7,363 hours of Class/lab training completed and 4,528 are potentially eligible for ETP reimbursement. However, Ms. Robinson noted that only 6,346 have been entered into the ETP On-Line Tracking System. Of the 6,346 reported On-line, Ms. Robinson stated that, as of the date of this visit, 3,474 may potentially eligible for ETP reimbursement. She informed those present that all Class/lab tracking hours possibly eligible for reimbursement must be documented into the ETP On-line Tracking System in order for Kimberly-Clark's performance to be reported to the Panel for a future Agreement. Mr. Sacks verbally committed to enter all remaining Class/lab hours into this System no later than 02/07/08.

According to National Training Company, Inc. records at the time of this final meeting, Kimberly-Clark is expected to retain a total of 130 (40% percent of planned retentions). Based on Mr. Sacks' report, Kimberly-Clark will be eligible for a total reimbursement of \$58,864 (15% of the ETP encumbered funds). However, ETP's On-line Tracking records indicate the company will be eligible for \$45,162 (12% percent of the ETP encumbered funds) if all other conditions of ETP eligibility are met. Current records show that Kimberly-Clark \$46,137 in unearned Progress Payments. Mr. Sacks stated that the company will be submitting a closeout invoice no later than 06/07/08. The following chart shows the projected statistics by job number.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number Started Training	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training (in Retention)	Number of Trainees Completed Retention
1	351	318	3	*45	**130	10

* ETP records indicate 45 retrainees have met the minimum number of Class/lab hours (24 hours) for this Agreement.

** Number of retrainees according to Kimberly-Clark's administrative subcontractor eligible for final reimbursement if all other conditions of the Agreement are met.

ATTENDANCE ROSTERS/INVOICES/ TRAINING TRACKING RECORDS:

Ms. Robinson reviewed class/lab attendance rosters for eight randomly selected trainees who are enrolled in Job 1. She compared the rosters to the Agreement's Curriculum and checked to ensure that each roster contained the necessary information required by ETP, under Title 22, California Code of Regulations, 4442. In addition, she compared the number of training hours in Kimberly-Clark's tracking records for the eight retrainees selected with the number of training hours documented on the applicable Class/lab Rosters and Invoice Numbers 4 and 5 for Progress Payment 1 (Enrollment) and Final Payment.

Ms. Robinson found that the records reviewed for the eight selected retrainees contained the necessary information required by ETP and the Class topics matched those contained in the Agreement's Curriculum. The review of the above sample also verified that the hours reported on Kimberly-Clark's tracking records matched those contained within the applicable Class/lab Rosters and Invoice Numbers 4 and 5 for Progress Payment 1 (Enrollment) and Final Payment.

All five invoices submitted to date have been validated in this and previous Monitoring Reports.

SUBAGREEMENTS:

During the previous visit on 08/14/07, Mr. Sacks provided an executed subagreement for the provision of administrative duties pertaining to this Agreement. Ms. Robinson noted that this subagreement did not include any the ETP required paragraphs as required in Exhibit D Page 1

of 1 in the Agreement. She also reported that both the administrative and a training subagreement for an out-of-State vendor had been entered on the Subcontractor List, ETP 100D via ETP's on-line system for, however, the company was unable to provide Ms. Robinson with any information regarding Kimberly-Clark's agreement with Kaufman Engineered Systems Inc. during this Monitoring Visit. Subsequent to this visit, Mr. Sack provided an executed amendment to the administrative subagreement that included the ETP required paragraphs. He also provided information that justified the use of an out-of-State vendor (Kaufman Engineered Systems Inc., located in Waterville, Ohio, for the provision of FANUC robotics training under Operator Skills Training under Manufacturing Skills. Use of this training vendor was approved by the San Diego Field Office Manager on 05/03/07.

During this Final Monitoring Visit, Mr. Sacks reported two additional training vendors were used by Kimberly-Clark for the provision of Equipment Enhancement/Maintenance/Troubleshooting training under Manufacturing Skills. These vendors included Condition Monitoring Solutions in Lake Forest, and OneSource located in Oceanside, California. Ms. Robinson reviewed the subcontractor information and noted that these vendors provided 22 hours (\$3,200) and 32 hours (\$1,675) of Class/lab training respectively, however, the information has not yet been entered into ETP's Online System. On 02/19/08, Ms. Robinson verified this information has now been entered into ETP's Online System.

AUDIT:

Kimberly-Clark will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

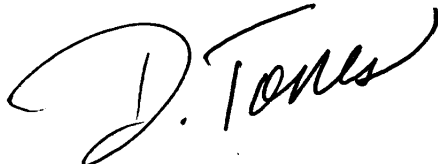
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres". The signature is fluid and cursive, with a large initial "D" and a stylized "Torres".

Diana Torres, Manager
San Diego Field Office

A handwritten signature in black ink, appearing to read "Carole Robinson". The signature is cursive and elegant, with a large initial "C" and a stylized "Robinson".

Carole Robinson, Contract Analyst
San Diego Field Office

cc: Kulbir Mayall, Manager, ETP Fiscal
National Training Company
Master File
SD Project File

Date report e-mailed to Contractor 02/18/08